

June 19, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

2002-03 PROBATION DEPARTMENT CURTAILMENTS - BUDGET DELIBERATIONS

As you are aware, the 2002-03 Probation Department Budget includes \$10 million in programmatic curtailments, two of which are the closure of a probation camp (Camp Rockey) and the elimination of the Work Furlough Program.

At the April 16, 2002 Board meeting during the discussion of the 2002-03 Proposed Budget, the Board instructed this office to work with the Chief Probation Officer to 1) quantify the cost savings from the proposed camp closure; 2) identify cost savings other than a camp closure; and 3) review the issues of facilities maintenance and Work Furlough Program within the Probation Department. The following provides this information.

Camp Closure Cost Savings

In order to meet their 2002-03 target budget, the Probation Department identified and included the camp closure curtailment of \$2.6 million in their Budget request. This was in response to our office notifying the Department that we would not be recommending additional net County cost (NCC) to fund increased expenditures associated with AB 1387, which extended disability benefits to Probation peace officers, effective January 2000. Consequently, the Department absorbed a \$2.6 million AB 1387-related increase by identifying the camp closure as the last of eight programmatic curtailments -- the other seven, although difficult to recommend, were determined by the Department as a result of an extensive review process of their operations.

The \$2.6 million NCC savings from the closure of Camp Rockey would be attainable; however, the curtailment would need to be implemented by July 1, 2002. Although Camp Rockey, located in San Dimas, is not one of the smallest camps, this camp was identified for curtailment, as it is a stand-alone camp, with adjoining Camps Paige and Afflerbaugh at close proximity.

Approximately 120 minors would be directly impacted by the closure of Camp Rockey. In order to absorb this population into the remaining system, it would be necessary for the Department to shorten the stays of other camp wards. No layoffs are anticipated as the 42.0 budgeted positions would be absorbed through attrition.

Revenue Identified for Consideration in Mitigating the Camp Closure

As indicated on Attachment I, an augmentation in federal Title IV-E budgeted revenue has been identified which would mitigate the closure of Camp Rockey.

During the preparation of their budget request, Probation had considered augmenting Title IV-E revenues to mitigate curtailments where possible. However, it was not considered at the time due to recently issued federal Title IV-E revenue claiming guidelines, and Probation's concerns of potential exposure to negative federal audit findings. The Department moved forward to obtain a Title IV-E expert consultant who clarified Title IV-E revenue issues. The consultant reviewed the Department's billing methods and assured they were in compliance with the State's previous instructions. The State had also instructed counties to continue claiming Title IV-E revenues as usual. Based on this, an increase in Title IV-E revenue has been identified to mitigate the camp closure. Thus, additional time was necessary subsequent to the preparation of the 2002-03 Proposed Budget to evaluate concerns related to increasing Title IV-E revenues.

In recognition of these factors, and that a series of federal compliance reviews are anticipated over the next two years prior to the assessment of any fiscal penalties, 20.0 additional Deputy Probation Officer positions, funded by a reduction in overtime, are included in the Probation Department's 2002-03 Final Recommended Budget to address operational issues and mitigate fiscal penalties.

We recommend the use of Title IV-E revenue to fully restore the closure of Camp Rockey.

Facilities Maintenance Issues

In July 2001, the Department of Public Works (DPW), in collaboration with a consultant, conducted a needs assessment of the physical condition of Probation camps and halls, where \$247 million was the total estimated cost required to maintain the facilities in operation for the next 20 years. Although this need is unfunded, Attachment II reflects the significant resources appropriated in the Capital Projects/Extraordinary Maintenance budgets for Probation facilities from 1998-99 to 2001-02. In the meantime, Probation is continuing to work with DPW and our office to prioritize the project needs. As funding becomes available, we will provide your Board with recommendations on priority maintenance and refurbishment projects at the Department's facilities.

In addition, as reflected in Attachment III, \$9.9 million in NCC was approved by the Board in the current-year budget for Probation to begin addressing Department of Justice concerns related to their investigation of the three juvenile halls. Of the \$9.9 million, approximately \$4.2 million is included as one-time carryover funds in the 2002-03 Final Recommended Probation and Capital Projects Budgets, as certain projects are not anticipated to be completed by June 30, 2002.

Work Furlough Program (Scapular House Contract)

The Work Furlough Program (Scapular House contract) was developed several years ago in response to jail overcrowding as part of the Community Based Alternatives to Custody effort. The program provides relief to the Sheriff's Department by providing an alternative incarceration model for low-risk offenders. The \$2.9 million contract is managed by the Probation Department.

The program provides non-mandated work furlough services to an average daily population of 200 low-risk offenders. At an average jail (male/female) inmate cost per day of \$55.00, the estimated annual cost avoidance to the Sheriff's Department is approximately \$4.0 million. However, as it would be unlikely that the Sheriff's Department would absorb many of these low-risk offenders into custody, as referral to less costly alternative programs such as the House Arrest Program, would first be explored.

As indicated on Attachment I, in order to achieve \$2.4 million in NCC savings to restore the Scapular House contract with minimal support, Probation would need to increase high-risk offender caseloads from 1:200 to 1:400. This 100 percent increase would significantly impede intervention by the DPO, and thus, could result in a significant increase in probationer arrests for new offenses and for violations of specific court orders.

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The increase would also create "bank caseloads" for probationers convicted of some of the most serious offenses, including those with violence against persons, the highest propensity toward re-offending, and suspended state prison sentences. Monitoring would be conducted primarily through automated systems, in-lieu of the current and more frequent positive interaction provided by direct DPO supervision. Monthly contacts with offenders would decrease to every other month.

The Work Furlough (Scapular House contract) is an excellent program that has produced many positive results, i.e., has allowed program eligible inmates to continue their employment and meet family financial obligations, thereby maintaining self-sufficiency. However, any further curtailments to probation mandated services is not recommended by the Probation Department, as it would now impact their ability to supervise high-risk offenders.

Review of Probation Budget to Identify Additional Potential Savings

We also reviewed Probation's budget, including the Department's mandated and discretionary programs, to identify whether other cost saving alternatives were available (Attachment IV).

We concur that 1) it would not be fiscally prudent to curtail detention services as it is a mandated program with mandated service levels; 2) any further recommendations to curtail mandated programs with discretionary service levels (i.e., Adult and Juvenile Investigation and Supervision, and Juvenile Placement) or discretionary programs with mandated service levels (i.e., Camps) could negate the Department's ability to supervise offenders, thus, negatively impacting at-risk youth, juvenile and adult probationers, and the safety of our communities; and 3) curtailments to discretionary programs (i.e., Pretrial, Information Systems, Ancillary Support, and Administrative Services) would hinder the Department's ability to maintain their fiscal, facility, and technological operations.

In addition, as reflected in Attachment IV, we reviewed vacancies, overtime, equipment, services and supplies, revenue enhancements, and one-time carryover funds as possible sources of savings and are comfortable that there are insufficient savings available in these areas to restore the Work Furlough Program.

Please let me know if you have any questions or require additional information at this time.

DEJ:DL
AL:ljp

Attachments

c: Executive Officer, Board of Supervisors
County Counsel
Chief Probation Officer

camp rocky-wp.bm

**2001-02 FUNDING ALLOCATED TO ADDRESS DOJ INVESTIGATION-RELATED
CONCERNS OF THE THREE JUVENILE HALLS**

<u>Project Description</u>	<u>Juvenile Hall</u>	<u>2001-02 Adopted Budget (NCC)</u>
Replace Security Locks and Doors	Los Padrinos	1,200,000
Plumbing Upgrades	Central, Los Padrinos & Nidorf	1,000,000
Repair HVAC System	Central & Los Padrinos	2,000,000
Freezer Replacement	Central	49,000
Chiller Replacement	Central	172,000
Sewer System Repair	Nidorf	500,000
Freezers Repair	Nidorf	25,000
Medical Modulares & Equipment	Central, Los Padrinos & Nidorf	511,000 *
Mental Health Modulares	Los Padrinos	274,000 *
Mental Health Room Conversion	Los Padrinos	108,000 *
Mental Health Security Needs	Central, Los Padrinos & Nidorf	120,000
Electrical Upgrades for Schools	Central, Los Padrinos & Nidorf	180,000
Boiler and Heater Replacement	Central	109,500
Roof Replacement	Central	296,000
Security Telephone System Repairs	Central	110,000
Laundry Pipe Repairs	Central	53,000
Classroom Modulares	Nidorf	500,000 *
Consultant Services (various)	n/a	70,500
Closed-Circuit Television Monitoring and Recoding System	Central & Nidorf	220,000
Probation Case Management System	Central, Los Padrinos & Nidorf	<u>2,402,000</u>
Total 2001-02 Adopted Budget (NCC)		9,900,000

* A total of \$1,182,000 is included in the 2001-02 Capital Projects Budget. (For the Medical Modulares project, \$300,000 is included in the 2001-02 Capital Projects Budget; remaining \$211,000 included in Department's Budget.) Of the \$9.9 million, approximately \$4.2 million is included as one-time carryover funds in the 2002-03 Final Recommended Department and Capital Projects Budgets to continue addressing primarily facility maintenance and space deficiencies where projects are not anticipated to be completed by June 30, 2002.

REVIEW OF PROBATION BUDGET TO IDENTIFY ADDITIONAL POTENTIAL SAVINGS

Mandated and Discretionary Programs:

We reviewed the Department's 1) mandated programs with mandated service levels (i.e., Detention); 2) mandated programs with discretionary service levels (i.e., Adult and Juvenile Investigation and Supervision, and Juvenile Placement); 3) discretionary programs with mandated service levels (Camps); and 4) discretionary programs (i.e., Pretrial, Information Systems, Ancillary Support, and Administration Services).

We concur that 1) it would not be fiscally prudent to curtail detention services as it is a mandated program with mandated service levels; 2) any further recommendations to curtail mandated programs with discretionary services or discretionary programs with mandated service levels could negatively impact at-risk youth, juvenile and adult probationers, and the safety of our communities; and 3) curtailments to discretionary programs would hinder the Department's efforts to maintain their fiscal, facility, and technological operations.

Vacant Positions:

The Department currently has 5,170.0 budgeted positions, of which approximately 200 (3.8 percent) are vacant, and consist primarily of clerical positions. However, some of these vacancies are revenue-offset, and thus, would not result in savings if eliminated. (Revenue-offset positions are not filled primarily due to Proposition 36-related workload levels, or a reconfiguration in implementing Long-Term Family Self-Sufficiency Projects.

Although in past years, Probation has generated NCC savings due to vacancies, a significant amount of positions have been eliminated in the 2002-03 Proposed Budget due to additional AB 1387 costs, and workers compensation cost increases.

**\$1.4 Million Reduction
in Overtime Expenditures:**

Probation continues its commitment to heightened monitoring and control of overtime expenditures. To this end, a \$1.4 million reduction in overtime is included in the 2002-03 Final Recommended Budget to primarily enable the Department to fund 20.0 Deputy Probation Officer positions to address placement services operational issues that will enhance their ability to comply with Federal Title IV-E revenue regulations and thereby mitigate fiscal penalties.

**Implementation of the
Return-to-Work Unit:**

In an effort to mitigate significantly increasing AB 1387-related disability benefit costs, in 2001-02, the Department implemented a Return-to-Work unit to improve the evaluation and review of industrial accident cases intended to expedite the return-to-work process for employees on workers' compensation. Thus, we anticipate seeing a decline in expenditures.

In addition, the County has filed an SB 90 test claim for AB 1387-related expenditures, where Auditor-Controller staff indicate that the claim is apparently looking fairly favorable. It is anticipated that the claim will be presented to the State Mandates Commission in approximately six months. If favorable, it will undergo further review, prior to proceeding to the State Controller's Office, who would then issue claiming instructions. Since this is an extensive process, and in consideration of the of the May Revision proposal to defer SB 90 reimbursement to local governments, any reimbursement is not anticipated in the short-term.

**\$523,000 Fixed Assets
Equipment:**

Probation's 2002-03 Budget includes \$523,000 to purchase 18 14-passenger vans to transport minors to and from court, medical appointments, etc. The Department's vehicles need replacement as many are 10 years or older and exceed 150,000 miles.

\$1.8 Million in Services and Supplies:

Probation's 2002-03 Budget includes a \$1.8 million increase for data processing, computer equipment maintenance and software primarily necessary for existing systems, as well as the recently implemented Juvenile Case Management System (JCMS). Deferral of these funds may negate the Department's efforts to improve their technological operations.

\$4.2 Million DOJ Investigation-related One-Time Carryover Funds:

The 2002-03 Final Recommended Probation and Capital Projects Budgets include the carryover of \$4.2 million of the \$9.9 million in one-time funds approved by the Board to continue addressing primarily facility maintenance deficiencies, and medical, mental, and classroom space issues related to the Department of Justice's investigation of the three juvenile halls. Deferral of these projects will delay efforts to address DOJ concerns.

\$1.3 Million Community-Based Contracts One-Time Carryover Funds:

The Community-Based Contracts Budget funds contract community delinquency prevention and anti-gang and strategy service programs. In recent years, this budget has generated significant savings which is continuously reappropriated and reflected as a one-time carryover to the subsequent fiscal year. The 2002-03 Final Recommended Budget includes \$1.3 million in anticipated 2001-02 unspent funds.

\$709,000 Revenue Collections Increase:

In an effort to manage the juvenile hall population and mitigate costs, Probation's 2002-03 Final Recommended Budget includes aggressive revenue projections, including enhanced revenue collection of adult probationer supervision and investigation fees, to partially fund 15 Deputy Probation Officer positions to expand the Community Detention Program, which provides home electronic monitoring and intensive juvenile supervision.

POTENTIAL ALTERNATIVES TO THE CLOSURE OF CAMP ROCKEY AND THE ELIMINATION OF THE WORK FURLOUGH PROGRAM

Additional Federal Title IV-E Revenue - \$2.774 Million

A \$2.774 million increase in federal Title IV-E budgeted revenue has been identified. However, since Probation-related Title IV-E revenues may be drawn down exclusively for juvenile programs, this revenue source may not be considered to restore any of the Department's adult program curtailments, including the Work Furlough program. However, this increased revenue can mitigate the closure of Camp Rockey and its corresponding net County cost curtailment of \$2.564 million.

The remaining \$210,000 Title IV-E revenue increase is included in Probation's 2002-03 Final Recommend Budget to partially fund, along with revenues, 15.0 Deputy Probation Officer positions to expand the Community Detention Program. This program enables the Department to better manage juvenile hall population and related costs by providing home electronic monitoring and intensive juvenile supervision.

Overtime Cost Reduction (-\$1.420 Million)

In recognition that a series of federal compliance reviews on Title IV-E revenues are anticipated over the next two years prior to the assessment of any fiscal penalties, it is essential that the Department ensure measures are in place to address operational issues and mitigate fiscal penalties. Consequently, 20.0 additional Deputy Probation Officer positions, funded by a reduction in overtime, are included in the Probation Department's 2002-03 Final Recommended Budget.

Decreased High-Risk Offender Supervision (-\$2.4 Million) to Restore Work Furlough

In order to restore the Work Furlough Program with minimal support, the Department would need to achieve \$2.4 million in NCC savings by eliminating 33.0 line positions who provide or support high-risk offender supervision services. A curtailment of this magnitude would substantially decrease the supervision of high-risk offenders, by increasing the DPO-to-probationer caseloads from 1:200 to 1:400. This 100 percent increase would create bank caseloads for some of the most serious offenders. These caseloads include those probationers with suspended State prison sentences, with a history of violence against persons, and are gang involved. Probationers would receive only minimal service and contact with Deputy Probationer Officers, possibly impacting community safety.

COUNTY RESOURCES PROVIDED TO PROBATION DEPARTMENT
CAPITAL PROJECTS/DEFERRED MAINTENANCE
FY 1998-99 to 2001-02

<u>Location</u>	<u>Project</u>	<u>Appropriation</u>	<u>Revenue</u>	<u>Net County Cost</u>
<u>Capital Projects</u>				
Central Juv. Hall	New Housing Units	\$36,504,000	\$25,346,000	\$11,158,000
Camp Challenger	Staff Quarters	800,000	0	800,000
Camp Scott	Dormitory Improve.	3,421,000	1,921,000	1,500,000
Eastlake Court	New Court Entry	954,000	0	954,000
Pomona Court	Interview Rooms	300,000	0	300,000
South Central Office	Refurbishment	875,000	0	875,000
Ten Camps	Female Showers	1,500,000	1,500,000	0
Camps Mendenhall/Scudder	Modular Classrooms	405,000	0	405,000
Dept. of Justice Compliance	Various Modulares	1,182,000	0	1,182,000
Los Padrinios Juvenile Hall	New Housing Units	37,067,000	24,120,000	12,947,000
Los Padrinios	Covered Walkway	561,000	0	561,000
Subtotal - Capital Projects		<u>\$83,569,000</u>	<u>\$52,887,000</u>	<u>\$30,682,000</u>
Project Facility Development Halls/Camps Assessment		\$993,000	\$0	\$993,000
<u>Extraordinary Maintenance</u>				
FY 98-99	Various Projects	\$2,000,000	\$0	\$2,000,000
FY 99-00	Various Projects	10,000,000	0	10,000,000
FY 00-01	Various Projects	120,000	0	120,000
FY 01-02	Various Projects	2,617,000	0	2,617,000
Subtotal - Deferred Maintenance		<u>\$14,737,000</u>	<u>\$0</u>	<u>\$14,737,000</u>
Grand Total - County Resources		<u>\$99,299,000</u>	<u>\$52,887,000</u>	<u>\$46,412,000</u>